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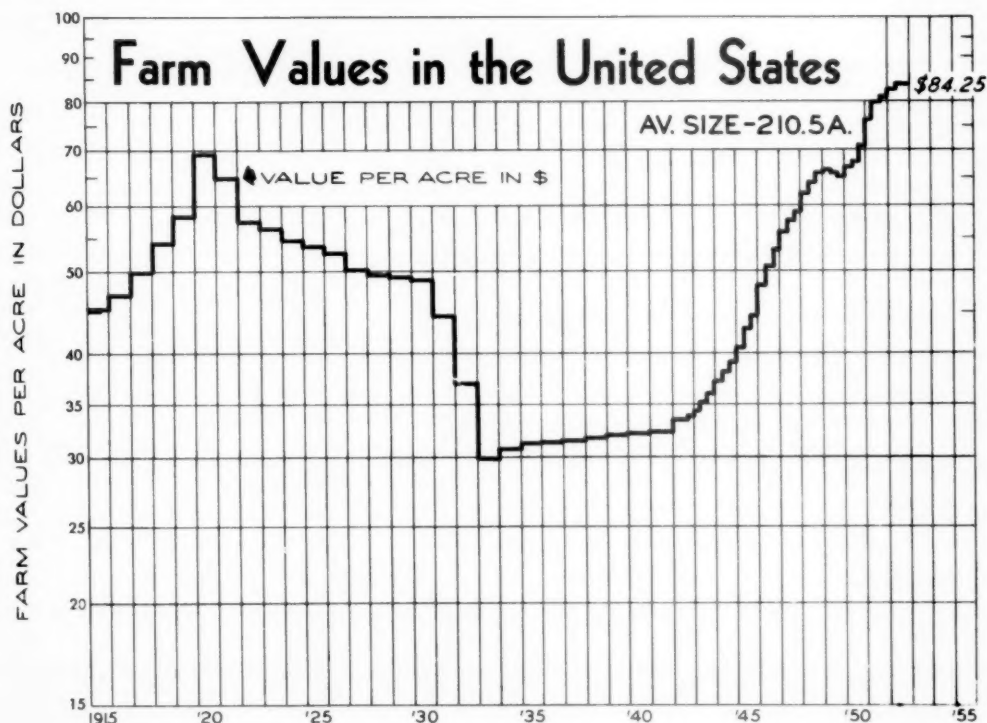
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REAL ESTATE ECONOMISTS, APPRAISERS AND COUNSELORS

LONG-TERM TRENDS IN FARM LAND PRICES

DURING the 37 years covered by our charts on farm values by States,* the average value of farms in the United States has risen from 1915 to 1920, has fallen until the early thirties, and has then risen again, with only minor interruptions, until the present time. This is shown by the chart below.

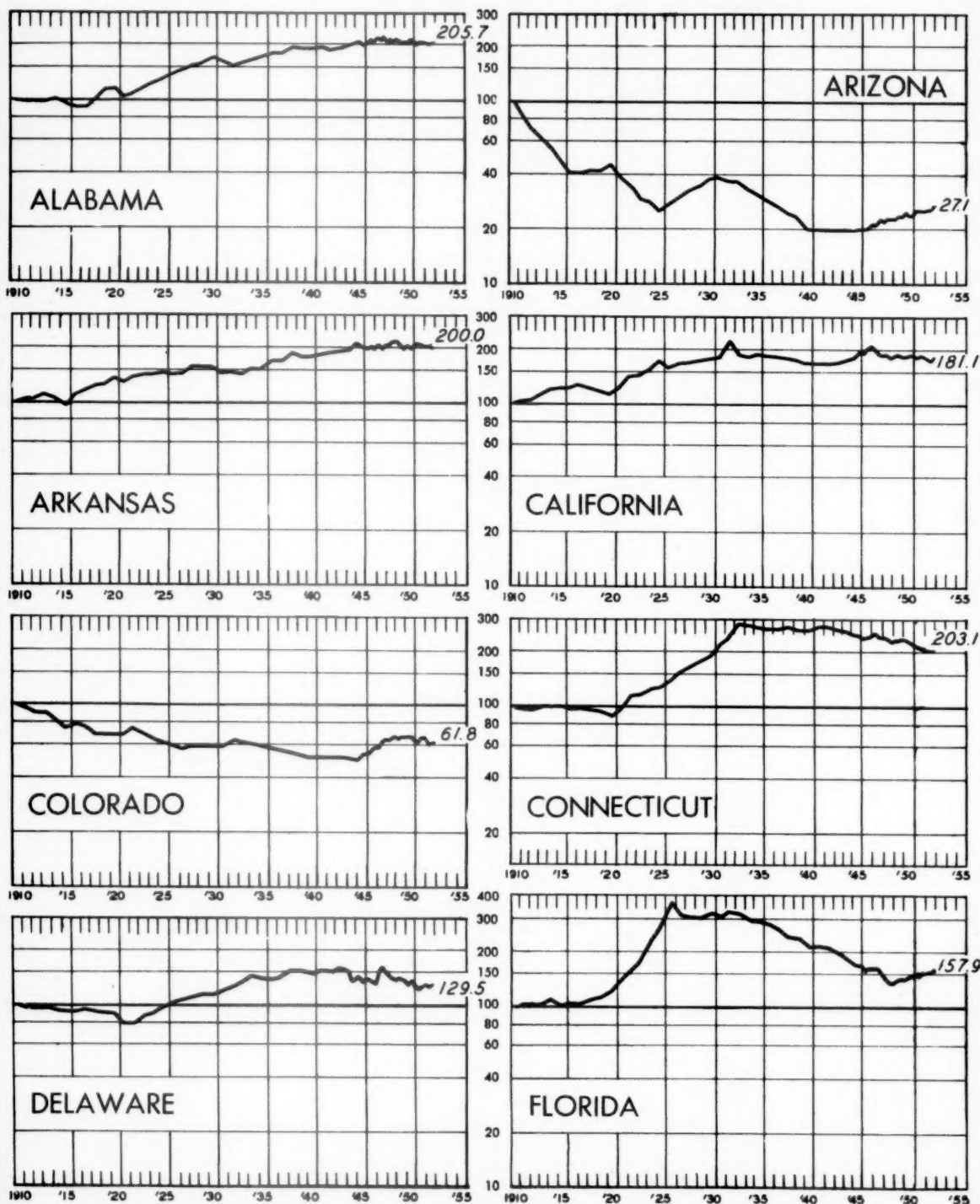
However, the changes in land values that take place within each State are only part of the over-all picture. Of equal and perhaps greater importance is the comparison between the trends within the State and the nation as a whole. In other words, has the increase or decrease in farm land value in a particular State been
(cont. on page 200)

*Agricultural Bulletin, February 6, 1953; Volume XXII, Number 5; published by Roy Wenzlick & Co., St. Louis.



RELATIVE TRENDS IN FARM VALUES PER ACRE

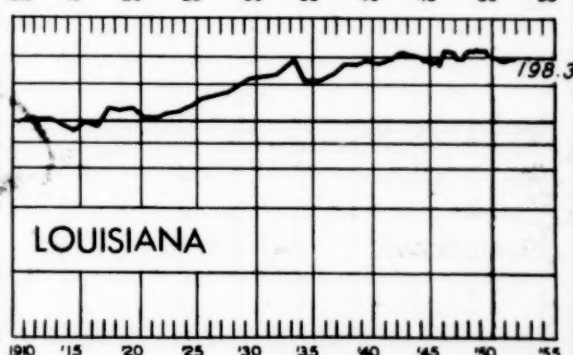
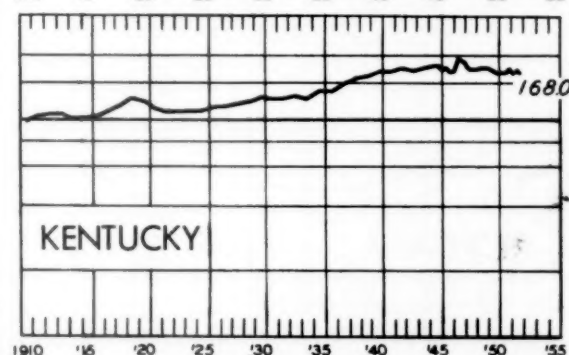
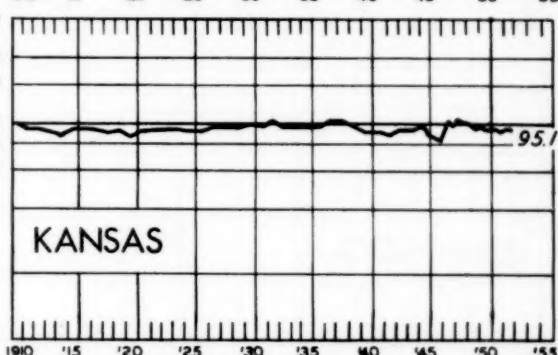
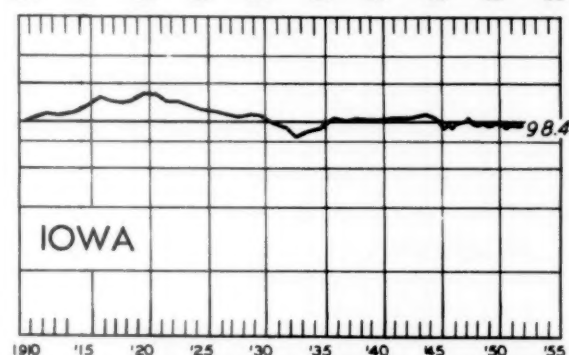
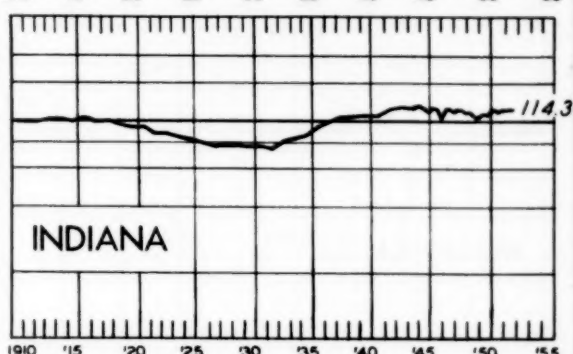
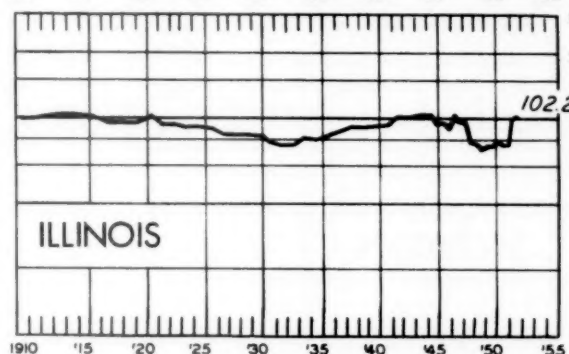
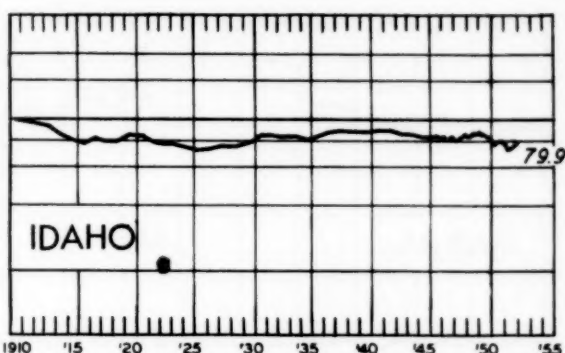
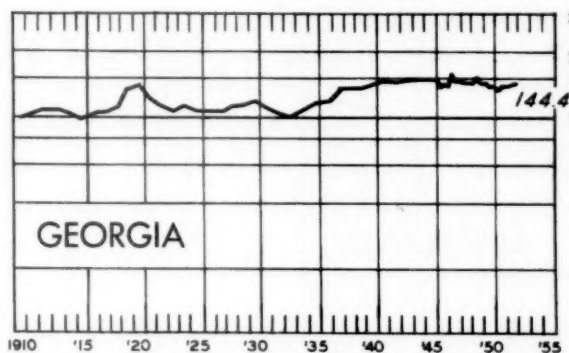
PERCENTAGE OF STATE AGRICULTURE VALUE PER ACRE TO
NATIONAL VALUE PER ACRE INDEX 1910 = 100



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RELATIVE TRENDS IN FARM VALUES PER ACRE

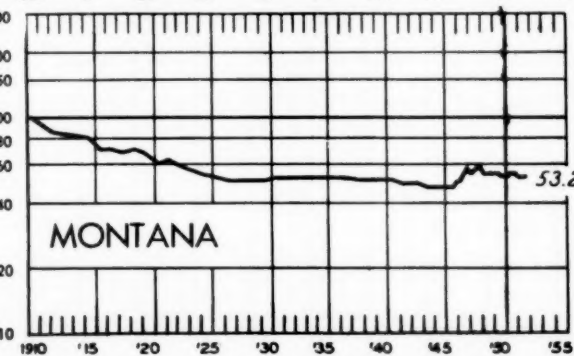
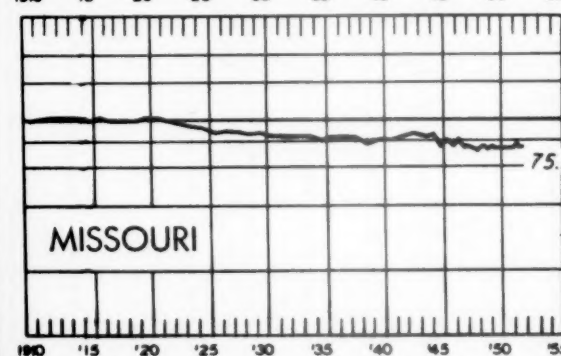
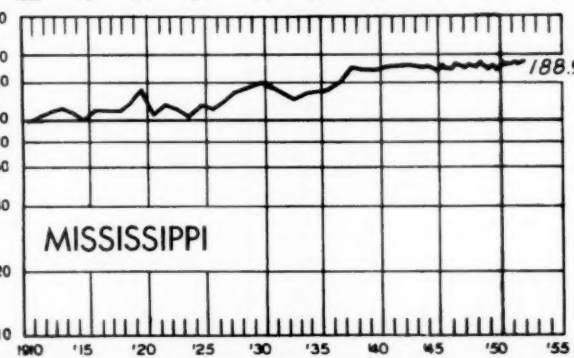
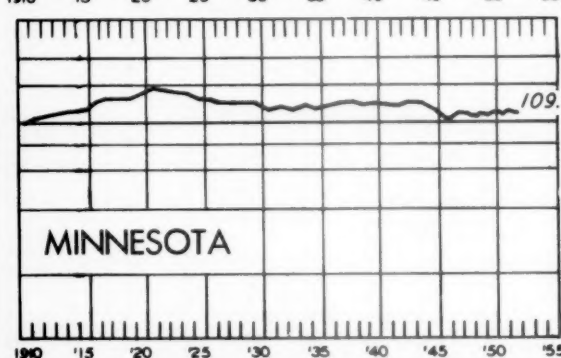
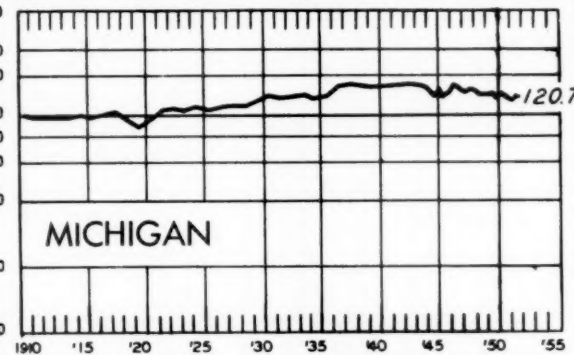
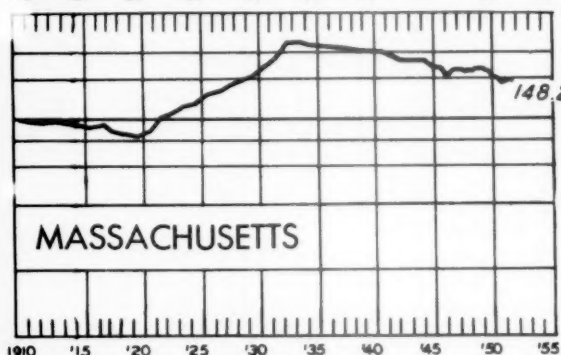
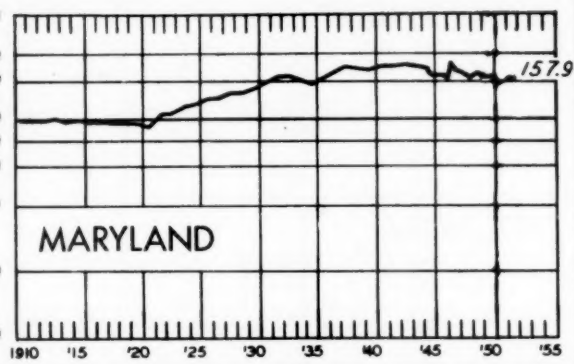
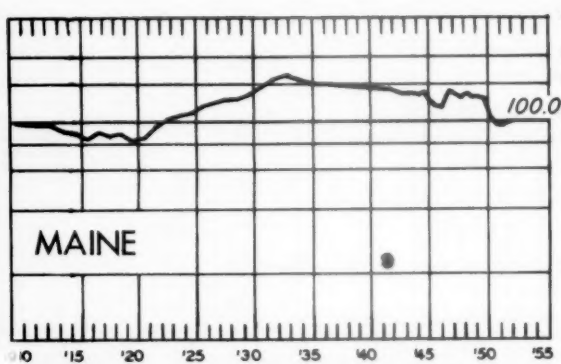
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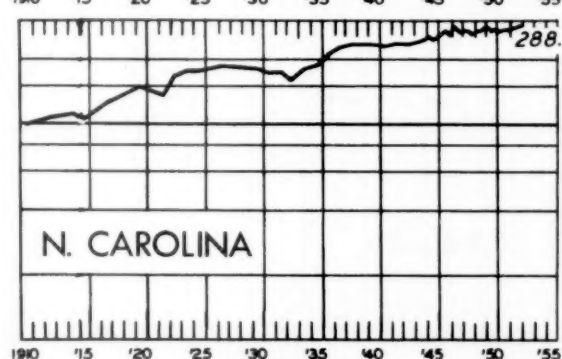
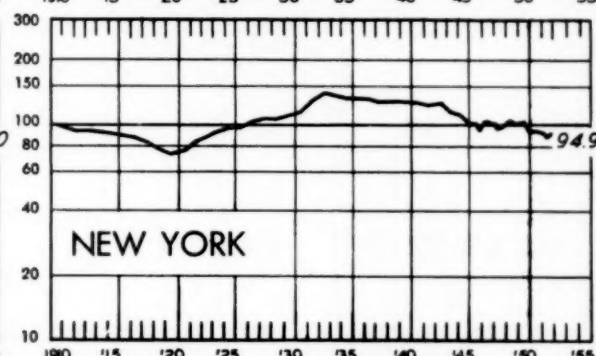
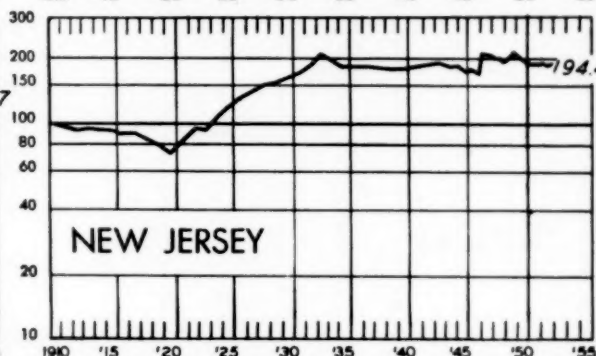
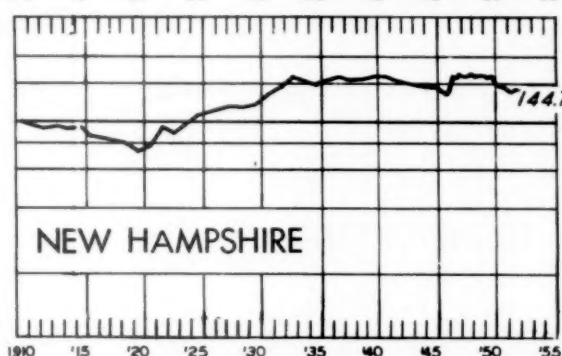
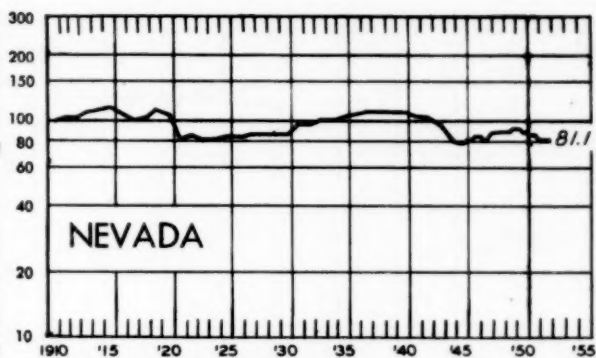
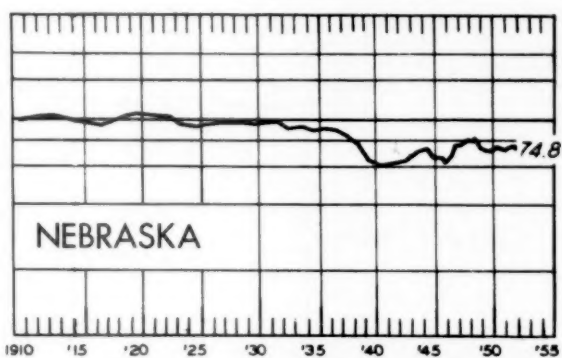
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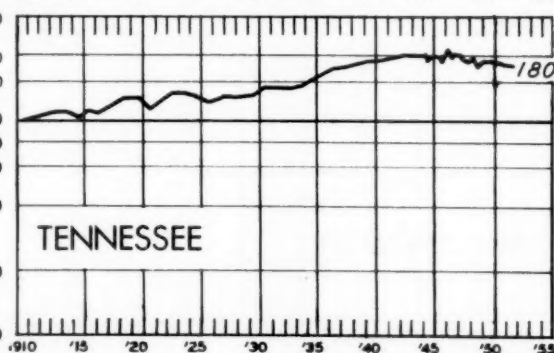
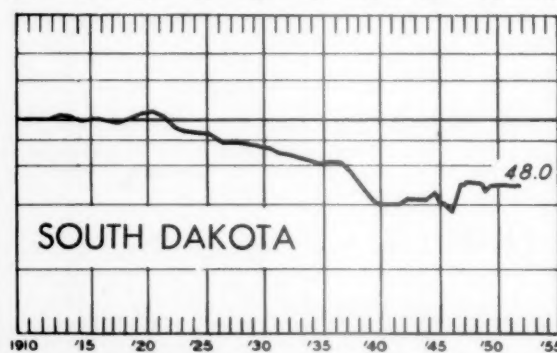
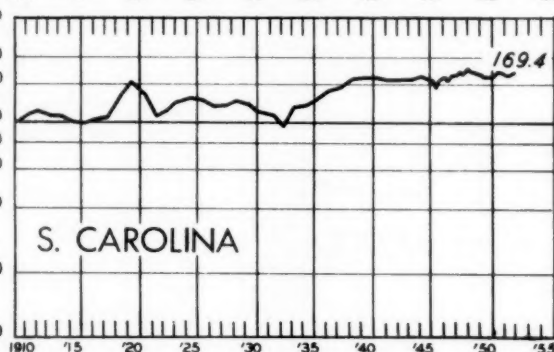
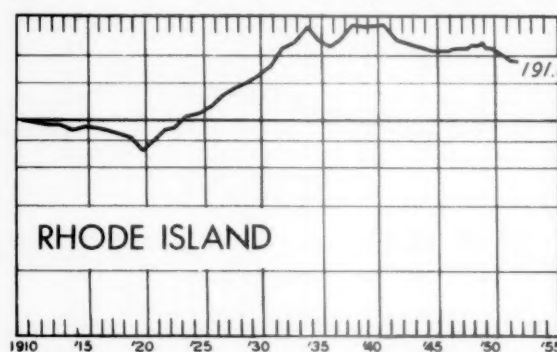
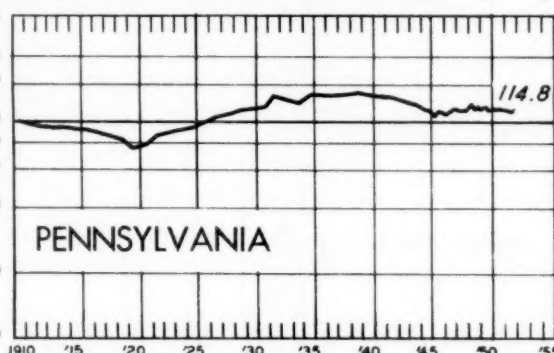
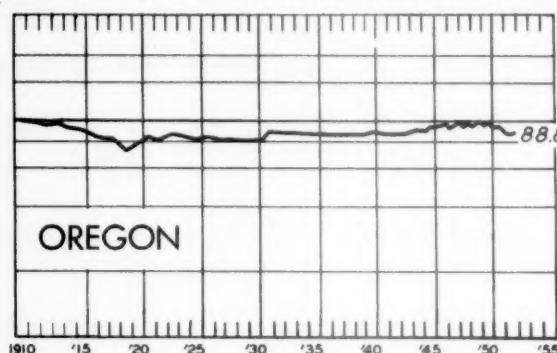
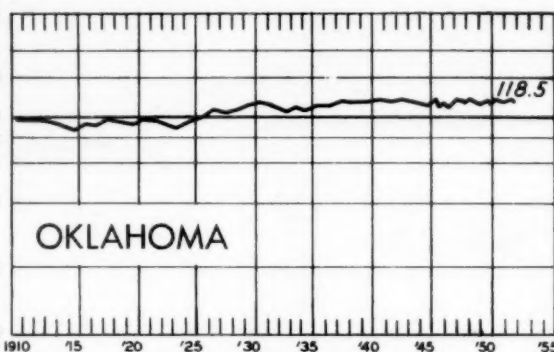
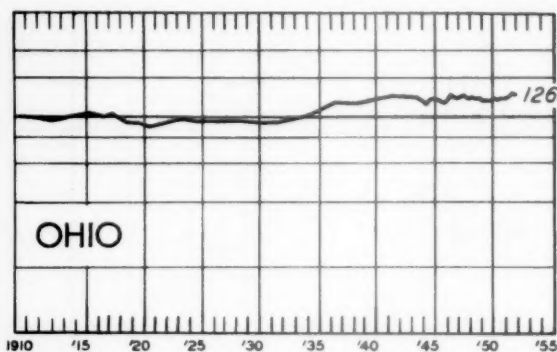
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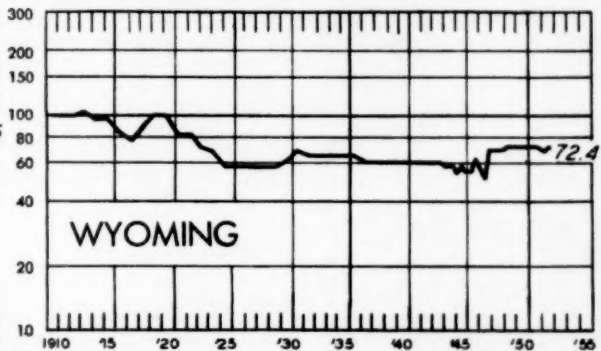
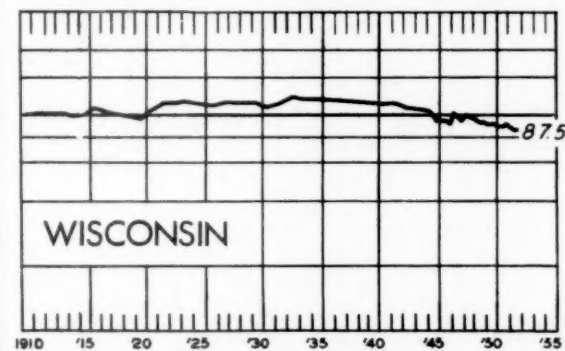
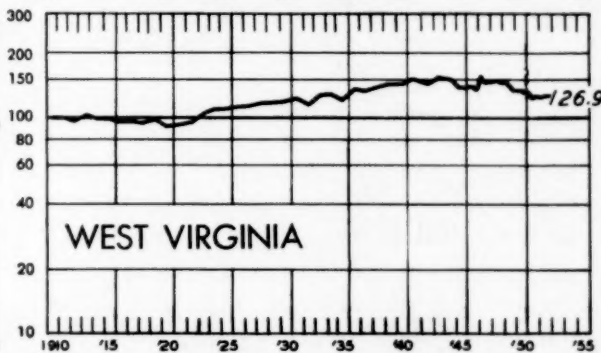
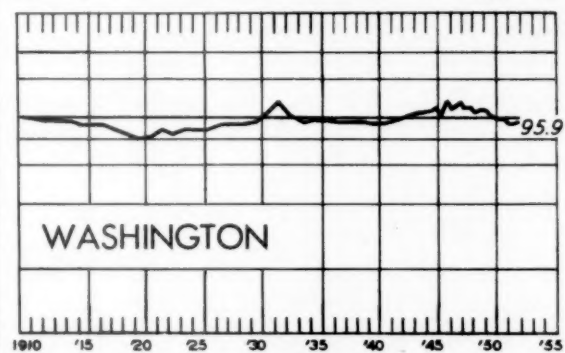
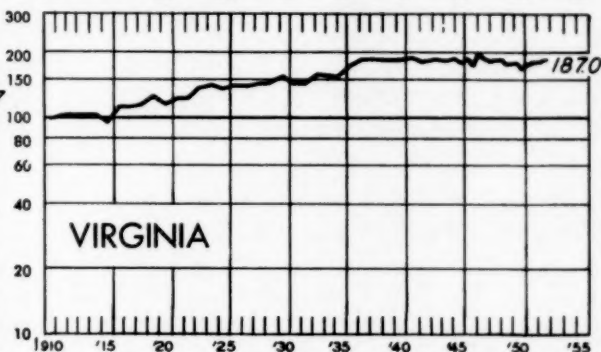
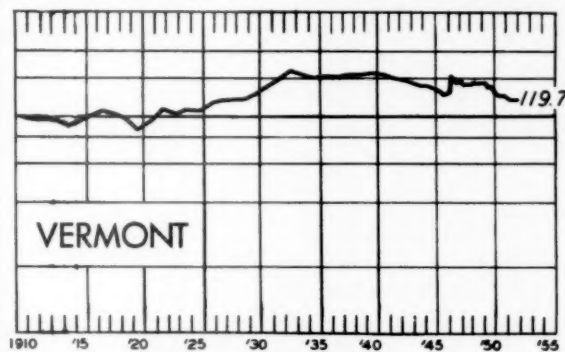
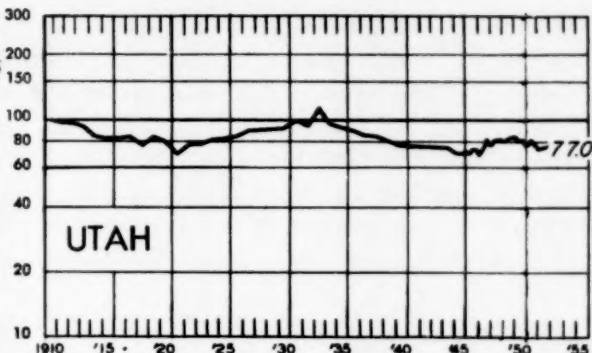
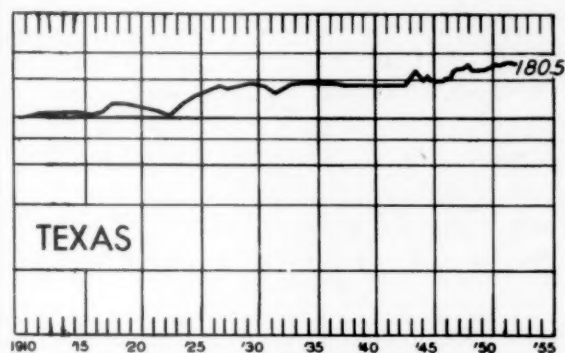
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(cont. from page 193)

greater or smaller than the national average?

The charts in this bulletin give that comparison. In all of these charts, the average value of all farm land in the United States from 1910 through 1952 is represented by the line marked "100." The heavy wavy line shows the relationship between farm land values in each individual State and the national average (or the "100" mark). For example, look at the Alabama chart on page 194. This chart shows that the average value per-acre of Alabama farm land has risen 105.7% higher since 1910 than has the average per acre value of all farms in the country. This does not mean that the average farm land value in Alabama is higher than the national average. It simply means that farm land values in Alabama have risen much faster than the national average since 1910. Actually, the Alabama rise started from a much lower point in 1910 than did the national average rise.

Look at the chart on Idaho. It shows that the trend in that State is down when compared with the national average. Actually, farm land values per acre averaged a good deal higher in Idaho in 1952 than they did in 1910. However, this increase was not nearly so great as was the national. This accounts for the lag indicated by the chart.

We believe that these charts should have considerable significance to long-term investors and mortgage lenders. All other factors being equal, it would seem that loans could be most advantageously placed in those States where long-term land values have shown more rising strength than the national average.

It is quite difficult to evaluate all of the forces which are responsible for the rise or fall of farm land values in different localities. Much of the answer might be found in such things as a dropping water table and soil erosion on the one hand, and irrigation and intensive cultivation on the other. As a general thing, however, the average mortgage lender lending on agricultural lands will prefer to place his loans in territories where the long-term trend of farm land prices has equaled or bettered the national average. This does not mean that many excellent loans will not be made in States making a relatively poor showing on these charts. It should be remembered that State boundaries are artificial limits, and quite frequently vary materially from those of homogeneous economic areas. It may be that a State showing relatively poorly on our charts is brought down by certain portions of the State, while other portions of the State may be making an excellent showing. We wish that similar charts could be drawn by counties, but as there are 3,103 counties in the United States, the number of charts to be drawn would be too cumbersome for popular presentation. We are endeavoring, however, to work out index numbers which can be used in connection with these State averages.